



REXCAPITAL Financial Holdings Limited

御泰金融控股有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)



INTERIM REPORT
中期報告

2005

The board of directors (the "Board") of REXCAPITAL Financial Holdings Limited (the "Company") hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2005 together with the unaudited comparative figures for the corresponding period in 2004 as follows:

御泰金融控股有限公司(「本公司」)董事會(「董事會」)謹此公佈本公司及其附屬公司(統稱「本集團」)截至二零零五年六月三十日止六個月之未經審核綜合中期業績,連同二零零四年同期之比較數字載列如下:

Condensed Consolidated Income Statement

For the six months ended 30 June 2005

簡明綜合損益表

截至二零零五年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月		
		2005 (unaudited) 二零零五年 (未經審核)	2004 (unaudited) 二零零四年 (未經審核)	
		HK\$'000 千港元	HK\$'000 千港元	
	Notes 附註			
Turnover	營業額	4	25,447	131,903
Other revenue	其他收入		746	686
Cost of trading of listed securities	買賣上市證券之成本		-	(90,776)
Commission expenses	佣金支出		(3,755)	(6,239)
Amortization of intangible assets	無形資產攤銷		-	(646)
Depreciation	折舊		(957)	(1,244)
Provision for doubtful debts	呆賬撥備		(12,541)	(4,500)
Unrealized loss on revaluation of trading securities	重估交易證券之 未變現虧損		(9,418)	(7,043)
Staff costs	員工成本		(9,562)	(9,167)
Other operating expenses	其他經營開支		(13,931)	(8,636)
Operating (loss)/profit	經營(虧損)/溢利		(23,971)	4,338
Finance costs	融資成本		(5,451)	(6,606)
Loss before taxation	除稅前虧損		(29,422)	(2,268)
Taxation	稅項	5	-	-
Loss for the period	本期虧損		(29,422)	(2,268)
Dividend	股息	6	-	-
Loss per share	每股虧損			
Basic	基本	7(a)	(0.98) cents 仙	(0.08) cents 仙
Diluted	攤薄	7(b)	N/A 不適用	N/A 不適用

Condensed Consolidated Balance Sheet

At 30 June 2005

簡明綜合資產負債表

於二零零五年六月三十日

		At 30 June 2005 (unaudited) 於二零零五年 六月三十日 (未經審核)	At 31 December 2004 (audited) 於二零零四年 十二月三十一日 (經審核)
	Notes 附註	HK\$'000 千港元	HK\$'000 千港元
NON CURRENT ASSETS			
Fixed assets		4,279	4,706
Available-for-sale financial assets		–	50
Statutory deposits		3,690	3,735
Deferred tax asset		4,357	4,357
		12,326	12,848
CURRENT ASSETS			
Financial assets at fair value through profit or loss		13,560	22,928
Trade receivables	8	278,748	334,421
Other debtors, deposits and prepayments		3,444	3,269
Bank balances and cash	9	50,401	73,928
		346,153	434,546
CURRENT LIABILITIES			
Trade payables	10	47,773	78,842
Other payables and accruals		4,031	4,642
Short term bank loan, secured		1,000	1,000
Bank overdrafts, secured		176,865	204,678
		229,669	289,162
NET CURRENT ASSETS		116,484	145,384
NET ASSETS		128,810	158,232
CAPITAL AND RESERVES			
Share capital		30,000	30,000
Reserves		98,810	128,232
		128,810	158,232

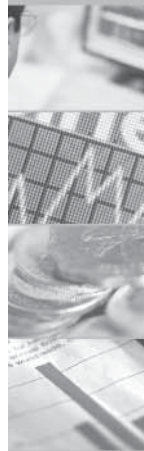
Condensed Consolidated Statement Of Changes In Equity

For the six months ended 30 June 2005

簡明綜合權益變動表

截至二零零五年六月三十日止六個月

		Share capital	Retained profit/ (accumulated loss)	Special reserve	Total
		股本	保留溢利/ (累計虧損)	特別儲備	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 December 2003	於二零零三年 十二月三十一日	30,000	93,636	112,270	235,906
Loss for the period	本期虧損	—	(2,268)	—	(2,268)
At 30 June 2004	於二零零四年 六月三十日	<u>30,000</u>	<u>91,368</u>	<u>112,270</u>	<u>233,638</u>
At 31 December 2004	於二零零四年 十二月三十一日	30,000	15,962	112,270	158,232
Loss for the period	本期虧損	—	(29,422)	—	(29,422)
At 30 June 2005	於二零零五年 六月三十日	<u>30,000</u>	<u>(13,460)</u>	<u>112,270</u>	<u>128,810</u>



Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2005

簡明綜合現金流量表

截至二零零五年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2005 (unaudited) 二零零五年 (未經審核) HK\$'000 千港元	2004 (unaudited) 二零零四年 (未經審核) HK\$'000 千港元
Net cash generated from/(used in) operating activities	來自／(用於)經營活動之現金淨額	38,435	(79,111)
Net cash used in investing activities	用於投資活動之現金淨額	(493)	(606)
Net cash generated from financing activities	來自融資活動之現金淨額	—	—
Increase/(Decrease) in cash and cash equivalents	現金及現金等價物之增加／(減少)	37,942	(79,717)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	(196,093)	(99,727)
Cash and cash equivalents at 30 June	於六月三十日之現金及現金等價物	(158,151)	(179,444)
Analysis of the balances of cash and cash equivalents	現金及現金等價物結餘分析		
Bank balances – general accounts	銀行結餘 – 一般賬戶	18,516	22,965
Cash in hand	手頭現金	98	24
Bank loan and overdrafts	銀行貸款及透支	(176,765)	(202,433)
		(158,151)	(179,444)

Notes to the Condensed Unaudited Consolidated Accounts

For the six months ended 30 June 2005

簡明未經審核綜合賬目附註

截至二零零五年六月三十日止六個月

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared in accordance with applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and are in compliance with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

The accounting policies and methods of computation adopted in the preparation of these unaudited condensed consolidated interim financial statements are the same as those used in the annual financial statements for the year ended 31 December 2004 except for the adoption of a number of new and revised Hong Kong Financial Reporting Standards ("HKFRSs", which also include HKASs and Interpretations) in the current period for the first time as detailed in note 2 to the unaudited condensed consolidated interim financial statements.

2. PRINCIPAL ACCOUNTING POLICIES

The adoption of the new and revised HKFRSs which are effective for accounting periods commencing on or after 1 January 2005 has had no material impact on the accounting policies of the Group and the methods of computation in the Group's unaudited condensed consolidated interim financial statements except for the following:

Financial instruments

The adoption of HKAS 32 and HKAS 39 has resulted in a change in accounting policy for recognition, measurement, derecognition and disclosure of financial instruments. Previously, the Group's investments in securities were classified as "Investment Securities" and "Trading Securities" respectively. "Investment Securities" were carried at cost less impairment loss (if any), while "Trading Securities" were stated in the balance sheet at fair value. Upon the adoption of HKAS 32 and HKAS 39, securities previously held for trading purpose are reclassified as financial assets at fair value through profit or loss, and securities previously held for investment purpose are reclassified as available-for-sale financial assets.

1. 編製基準及會計政策

本未經審核簡明綜合中期財務報表乃根據香港聯合交易所有限公司證券上市規則（「上市規則」）附錄16所載之適用披露規定及香港會計師公會頒佈之會計準則（「會計準則」）第34號「中期財務報告」而編製。

編製此等未經審核簡明綜合中期財務報表所採納之會計政策及計算方法與截至二零零四年十二月三十一日止年度之全年財務報表所使用者一致，惟本期間首次採納若干新訂及經修訂香港財務報告準則（「香港財務報告準則」，其包括香港會計準則及詮釋），詳情載於未經審核簡明綜合中期財務報表附註2。

2. 主要會計政策

採納二零零五年一月一日或之後開始之會計期間生效之新訂及經修訂香港財務報告準則對本集團之會計政策及本集團未經審核簡明綜合中期財務報表之計算方法並無重大影響，惟下列項目除外：

金融工具

採納會計準則第32號及會計準則第39號導致確認、計算、不予確認及披露金融工具之會計政策有所變動。本集團之證券投資以往分別分類為「投資證券」及「交易證券」。「投資證券」以成本減減值虧損（如有）列賬，而「交易證券」則按公平值於資產負債表列賬。採納會計準則第32號及會計準則第39號後，以往持有作買賣之證券重新分類為通過損益以反映公平價值之金融資產，而以往持有作投資之證券則重新分類為可供出售金融資產。



Notes to the Condensed Unaudited Consolidated Accounts (continued)

For the six months ended 30 June 2005

簡明未經審核綜合賬目附註 (續)

截至二零零五年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

In accordance with HKAS 39, the financial assets at fair value through profit or loss are measured at fair value with gains or losses arising from changes in fair value credited or charged to the consolidated income statement for the period in which they arise. Available-for-sale financial assets are those non-derivative investments in listed and unlisted equity securities that are designated as available for sale or are not classified in any of the other categories of financial assets as defined in HKAS 39. After initial recognition, available-for-sale financial assets are measured at fair value with gains or losses being recognized as a separate component of equity until the financial asset is sold, collected or otherwise disposed of or until the financial asset is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the consolidated income statement. From 1 January 2005 onwards, the Group classified "Investment Securities" and "Trading Securities" into financial assets at fair value through profit or loss.

This change in accounting policy has no material impact on the unaudited condensed consolidated interim financial statements.

Share-based payments

In the current period, the Group has applied HKFRS 2 "Share-based Payment". The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of directors' and employees' share options of the Company determined at the date of grant of the share options over the vesting period. Prior to the application of HKFRS 2, the Group did not recognize the financial effect of these share options until they were exercised. In relation to share options granted before 1 January 2005, the Group has not applied HKFRS 2 to share options granted on or before 7 November 2002 and share options that were granted after 7 November 2002 and had vested before 1 January 2005 in accordance with the relevant transitional provisions.

2. 主要會計政策 (續)

金融工具 (續)

根據會計準則第39號，通過損益以反映公平價值之金融資產按公平值計算，而公平值變動產生之盈虧則於產生期間在綜合損益表入賬或扣除。可供出售金融資產為於上市及非上市股本證券之非衍生工具投資，被定為可供出售或並無分類為金融資產之任何其他類別（定義見會計準則第39號）。經初始確認後，可供出售金融資產按公平值計算，而盈虧則確認為權益的一個單獨的組成部份。直至該金融資產銷售、接收或以其他方式出售，或直至該金融資產被定為減值時，之前已確認在權益中的累計收益或虧損便轉入綜合損益表內。自二零零五年一月一日起，本集團將「投資證券」及「交易證券」下持有之證券一併歸入為通過損益以反映公平價值之金融資產。

此項會計政策之變動對未經審核簡明綜合中期財務報表並無重大影響。

以股份為基礎之付款

於本期間，本集團已採用香港財務報告準則第2號「以股份為基礎之付款」。香港財務報告準則第2號對本集團之主要影響關乎於歸屬期間支銷於授出購股權日期釐定之本公司董事及僱員購股權之公平值。採用香港財務報告準則第2號前，本集團在購股權獲行使前並無確認此等購股權之財務影響。就於二零零五年一月一日前授出之購股權而言，根據有關過渡條文，本集團並無對二零零二年十一月七日或之前授出之購股權，以及於二零零二年十一月七日後授出並於二零零五年一月一日前歸屬之購股權採用香港財務報告準則第2號。

Notes to the Condensed Unaudited Consolidated Accounts (continued)

For the six months ended 30 June 2005

簡明未經審核綜合賬目附註 (續)

截至二零零五年六月三十日止六個月

3. BUSINESS AND GEOGRAPHICAL SEGMENTS

An analysis of the Group's unaudited turnover and segmental results for the period by principal activities are as follows:

Business segments

For the six months ended 30 June 2005

3. 業務及地區分部

以下為本集團於期內根據其主要業務對未經審核之營業額及分部業績作出之分析：

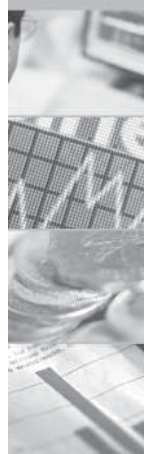
業務分部

截至二零零五年六月三十日止六個月

	Money lending		Investment trading and holding		Broking		Securities margin financing		Corporate finance and asset management		Total		
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	
	二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年	
	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
REVENUE	收益												
Turnover	營業額	<u>7,634</u>	<u>9,799</u>	<u>64</u>	<u>90,697</u>	<u>9,307</u>	<u>18,990</u>	<u>7,675</u>	<u>10,671</u>	<u>767</u>	<u>1,746</u>	<u>25,447</u>	<u>131,903</u>
RESULTS	業績												
Segment profit/(loss)	分部溢利/(虧損)	<u>3,914</u>	<u>7,188</u>	<u>(9,398)</u>	<u>(6,829)</u>	<u>(13,892)</u>	<u>(1,509)</u>	<u>(8,533)</u>	<u>946</u>	<u>(746)</u>	<u>(109)</u>	<u>(28,655)</u>	<u>(313)</u>
Net unallocated expenses	未分類開支淨額											<u>(767)</u>	<u>(1,955)</u>
Loss before taxation	除稅前虧損											<u>(29,422)</u>	<u>(2,268)</u>
Taxation	稅項											<u>-</u>	<u>-</u>
Loss for the period	本期虧損											<u>(29,422)</u>	<u>(2,268)</u>

As over 90% of the Group's turnover and (loss)/profit before taxation are derived from Hong Kong, no analysis of geographical segments has been disclosed in the condensed consolidated accounts.

由於本集團超過90%之營業額及除稅前(虧損)/溢利乃源自香港，因此並無於簡明綜合賬目披露地區分析。



Notes to the Condensed Unaudited Consolidated Accounts (continued)

For the six months ended 30 June 2005

簡明未經審核綜合賬目附註 (續)

截至二零零五年六月三十日止六個月

4. TURNOVER

Revenue from the following activities has been included in turnover:

4. 營業額

來自下列活動之收益已計入營業額內:

		Six months ended 30 June 截至六月三十日止六個月	
		2005 (unaudited) 二零零五年 (未經審核) HK\$'000 千港元	2004 (unaudited) 二零零四年 (未經審核) HK\$'000 千港元
Commission income and handling fee income	佣金收入及手續費收入	9,307	19,149
Interest income from Bank	來自以下各項之利息收入 銀行	64	2
Margin clients	孖展客戶	7,675	10,671
Loan receivables	應收貸款	7,634	9,799
Income from trading of listed securities	買賣上市證券收入	-	90,695
Asset management and advisory fee income	資產管理及顧問費收入	767	1,587
		25,447	131,903

5. TAXATION

No provision for Hong Kong profits tax has been made in the accounts as the Group has no estimated assessable profits for both periods.

5. 稅項

由於兩段期間並無估計應課稅溢利，故此本集團賬目並無就香港利得稅作出撥備。

6. DIVIDEND

The Board does not recommend the payment of an interim dividend in respect of the six months ended 30 June 2005 (2004: HK\$Nil).

6. 股息

董事會並不建議派付截至二零零五年六月三十日止六個月之中期股息(二零零四年: 零港元)。

Notes to the Condensed Unaudited Consolidated Accounts (continued)

For the six months ended 30 June 2005

簡明未經審核綜合賬目附註 (續)

截至二零零五年六月三十日止六個月

7. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the Group's loss for the period of HK\$29,422,000 (2004: HK\$2,268,000) and on the weighted average number of 3,000,000,000 (2004: 3,000,000,000) ordinary shares in issue during the period.

(b) Diluted (loss)/earnings per share

No diluted (loss)/earnings per share has been calculated for the current and prior periods because there was no potential dilutive ordinary shares in issue.

8. TRADE RECEIVABLES

7. 每股虧損

(a) 每股基本虧損

每股基本虧損乃按本集團期內虧損 29,422,000 港元 (二零零四年: 2,268,000 港元) 及於期內已發行普通股之加權平均數 3,000,000,000 股 (二零零四年: 3,000,000,000 股) 計算。

(b) 每股攤薄 (虧損) / 盈利

由於並無已發行具攤薄影響之潛在普通股, 故此並無計算本期間及前期間之每股攤薄 (虧損) / 盈利。

8. 應收賬款

		At 30 June 2005 (unaudited) 於二零零五年 六月三十日 (未經審核) HK\$'000 千港元	At 31 December 2004 (audited) 於二零零四年 十二月三十一日 (經審核) HK\$'000 千港元
Margin client receivables, net	應收孖展客戶款項淨額	58,211	127,276
Other client receivables, net	應收其他客戶款項淨額	7,079	7,660
Broker receivables	應收經紀款項	2,101	1,781
Amounts due from clearing houses	應收結算所款項	11,758	16,328
Loan receivables, net	應收貸款淨額	193,661	175,472
Loan interest receivables, net	應收貸款利息淨額	5,938	5,904
		278,748	334,421

Notes to the Condensed Unaudited Consolidated Accounts (continued)

For the six months ended 30 June 2005

簡明未經審核綜合賬目附註 (續)

截至二零零五年六月三十日止六個月

8. TRADE RECEIVABLES (continued)

Margin client receivables are repayable on demand, bear interest at prevailing market rates and are secured by clients' securities listed on The Stock Exchange of Hong Kong Limited (the "SEHK") with a market value of approximately HK\$185,000,000 as at 30 June 2005 (31 December 2004: HK\$311,000,000). No aged analysis is disclosed for margin client receivables as, in the opinion of the directors, the aged analysis does not give additional value in view of the nature of business of securities margin financing.

The settlement terms of other client receivables, broker receivables and amounts due from clearing houses are one to two days after the trade date. The age of these balances is within 30 days.

Included in the above client receivables as at 30 June 2005 are the accounts of associates of certain directors of approximately HK\$8,228,000 (31 December 2004: HK\$7,781,000). The amounts due from the associates are of similar trading terms as the other clients.

Included in the above loan receivables as at 30 June 2005 is the account of an associate of certain directors of approximately HK\$9,215,000 (31 December 2004: HK\$9,992,000). The amount due from the associate is of similar trading terms as the other loan receivables.

The remaining maturity of loan receivables as at 30 June 2005 is as follows:

8. 應收賬款 (續)

應收孖展客戶款項須隨時按要求償還，按當時市場利率計息，並以客戶於香港聯合交易所有限公司（「聯交所」）上市之證券抵押，該等證券於二零零五年六月三十日之市值約185,000,000港元（二零零四年十二月三十一日：311,000,000港元）。由於董事認為就證券孖展融資業務性質而言，賬齡分析意義不大，因此並無披露應收孖展客戶款項之賬齡分析資料。

應收其他客戶款項，應收經紀款項及應收結算所款項須於交易日後一至兩天內償還，而該等款項賬齡均少於30天。

上述於二零零五年六月三十日之應收客戶款項包括應收若干董事之聯繫人士之賬款約8,228,000港元（二零零四年十二月三十一日：7,781,000港元）。應收聯繫人士之款項所適用之交易條款與其他客戶相若。

上述於二零零五年六月三十日之應收貸款包括應收若干董事之聯繫人士之貸款約9,215,000港元（二零零四年十二月三十一日：9,992,000港元）。應收聯繫人士之款項所適用之交易條款與其他應收貸款相若。

於二零零五年六月三十日，應收貸款之尚餘到期日如下：

		At 30 June 2005 (unaudited) 於二零零五年 六月三十日 (未經審核) HK\$'000 千港元	At 31 December 2004 (audited) 於二零零四年 十二月三十一日 (經審核) HK\$'000 千港元
Three months or less	三個月或以內	101,523	53,362
One year or less but over three months	一年以內 但三個月以上	92,138	122,110
		<u>193,661</u>	<u>175,472</u>

Notes to the Condensed Unaudited Consolidated Accounts (continued)

For the six months ended 30 June 2005

簡明未經審核綜合賬目附註 (續)

截至二零零五年六月三十日止六個月

9. BANK BALANCES AND CASH

		At 30 June 2005 (unaudited) 於二零零五年 六月三十日 (未經審核) HK\$'000 千港元	At 31 December 2004 (audited) 於二零零四年 十二月三十一日 (經審核) HK\$'000 千港元
Bank balances	銀行結餘		
– general accounts	– 一般賬戶	18,516	8,558
– segregated accounts	– 獨立賬戶	31,787	65,342
Cash in hand	手頭現金	98	28
		50,401	73,928

10. TRADE PAYABLES

		At 30 June 2005 (unaudited) 於二零零五年 六月三十日 (未經審核) HK\$'000 千港元	At 31 December 2004 (audited) 於二零零四年 十二月三十一日 (經審核) HK\$'000 千港元
Margin client payables	應付孖展客戶款項	12,236	18,550
Other client payables	應付其他客戶款項	35,537	60,178
Broker payable	應付經紀款項	–	114
		47,773	78,842

Margin client payables and other client payables are repayable on demand and bear interest at prevailing market rates. No aged analysis is disclosed for margin client payables and other client payables as, in the opinion of the directors, the aged analysis does not give additional value in view of the nature of business of securities margin financing and broking.

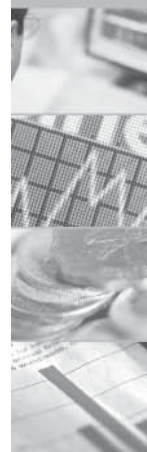
The settlement terms of broker payables are one or two days after the trade date. The age of these balances is within 30 days.

9. 銀行結餘及現金

10. 應付賬款

應付孖展客戶款項及應付其他客戶款項隨時按要求償還，按當時市場利率計息。由於董事認為就證券孖展融資業務及經紀業務性質而言，賬齡分析意義不大，因此並無披露應付孖展客戶款項及應付其他客戶款項之賬齡分析資料。

應付經紀款項於交易日後一或兩天內償還。而該等款項賬齡均少於30天。



Notes to the Condensed Unaudited Consolidated Accounts (continued)

For the six months ended 30 June 2005

簡明未經審核綜合賬目附註 (續)

截至二零零五年六月三十日止六個月

11. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified and restated to comply with the new and revised HKFRSs' requirements and conform with the current period's presentation.

12. CONTINGENT LIABILITIES

The Group has no significant contingent liabilities as at 30 June 2005 (31 December 2004: HK\$Nil).

13. COMMITMENTS

As at 30 June 2005, the Group's future aggregate minimum lease payments under non-cancellable operating leases are payable as follows:

11. 比較數字

若干比較數字已重新分類及重列以符合新訂及經修訂之香港財務報告準則之規定及配合本期間之呈列。

12. 或然負債

於二零零五年六月三十日，本集團並無重大或然負債（二零零四年十二月三十一日：零港元）。

13. 承擔

於二零零五年六月三十日，本集團根據不可撤銷經營租約應付之未來最低租金總額如下：

		At 30 June 2005 (unaudited) 於二零零五年 六月三十日 (未經審核) HK\$'000 千港元	At 31 December 2004 (audited) 於二零零四年 十二月三十一日 (經審核) HK\$'000 千港元
Land and buildings	土地及樓宇		
Within one year	一年內	3,586	3,982
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年)	7,466	9,369
		11,052	13,351

The Group leases office premises under operating leases. The leases run for an initial period of one to six years. The leases do not include any contingent rentals.

本集團根據經營租約租用辦公室，而該等租約為期一至六年不等，並不包括任何或然租金。

Notes to the Condensed Unaudited Consolidated Accounts (continued)

For the six months ended 30 June 2005

簡明未經審核綜合賬目附註 (續)

截至二零零五年六月三十日止六個月

14. RELATED PARTY TRANSACTIONS

- (a) Details of the Group's significant transactions with the following related parties during the period are as follows:

Associates of directors	董事之聯繫人士
Commission, fee and interest income arising from futures and securities trading	買賣期貨及證券所得佣金、費用及利息收入
Loan interest paid	已付貸款利息
Loan arrangement fee paid	已付貸款安排費用

In the opinion of the directors, including the independent non-executive directors, the above transactions were entered into in the Group's ordinary course of business and on normal commercial terms.

- (b) On 12 January 2004, the Group entered into a conditional sale and purchase agreement with REXCAPITAL Group Limited (the "Purchaser"), a related company of which certain directors of the Company are directors and one of these directors is a beneficial shareholder, to dispose the entire issued share capital of REXCAPITAL Financial Group Limited ("RFGL") for a total consideration of HK\$229,000,000. As the Purchaser was not satisfied with the results of the due diligence conducted on RFGL and its subsidiaries, the above sale and purchase agreement was terminated on 6 May 2005.

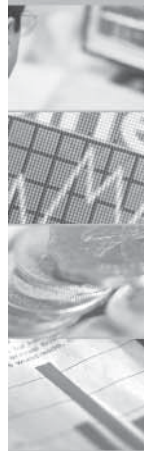
14. 關連人士交易

- (a) 本集團於本期間曾與以下關連人士進行重大交易之細節概述如下:

Six months ended 30 June 截至六月三十日止六個月	
2005 (unaudited) 二零零五年 (未經審核) HK\$'000 千港元	2004 (unaudited) 二零零四年 (未經審核) HK\$'000 千港元

董事(包括獨立非執行董事)認為,上述交易乃於本集團日常業務過程中按正常商業條款進行。

- (b) 於二零零四年一月十二日,本集團與一間關連公司REXCAPITAL Group Limited(「買方」)(本公司若干董事為買方之董事及該等董事其中一名為其實益股東)簽定有條件買賣協議,出售REXCAPITAL Financial Group Limited(「RFGL」)全部已發行股本,代價229,000,000港元。由於買方並不滿意其對RFGL及其附屬公司進行之盡職審查結果,故此上述買賣協議已於二零零五年五月六日終止。



Management Discussion and Analysis

管理層討論及分析

FINANCIAL RESULTS

During the period under review, the Group recorded a turnover of HK\$25,447,000 (2004: HK\$131,903,000) and a loss of HK\$29,422,000 (2004: HK\$2,268,000). The substantial decrease in turnover was mainly explained by the decrease in investment trading and holding segment. Turnover of this segment was approximately HK\$90,695,000 during the six months ended 30 June 2004, while in 2005, the Group did not engage in the securities trading business as the Group has been taking a conservative approach in the proprietary trading.

The downturn of broking business was partially reflected by rising interest rate, increase in oil price, directionless market environment throughout the first half of the year, as a result, commission income decreased by 51% to HK\$9,307,000 for the review period in comparison with last interim period (2004: HK\$19,149,000). The Group also adopted a prudent approach towards provision on its securities business which amounted to HK\$12,541,000 (2004: HK\$4,500,000).

BUSINESS REVIEW AND PROSPECTS

For the period under review, the Group was principally engaged in the provision of financial services, which include money lending, investment trading and holding, broking, securities margin financing and asset management.

Money Lending

Interest income from money lending business earned in this period accounted for 30% (2004: 7%) of the Group's turnover. The positive results in this business segment reflected successful execution of strict credit monitoring measures by the Group. We will continue to adopt a prudent and conservative financing policy in order to identify creditworthy clients.

財務業績

於回顧期內，本集團錄得營業額 25,447,000 港元（二零零四年：131,903,000 港元），虧損為 29,422,000 港元（二零零四年：2,268,000 港元），營業額減少主要由於投資買賣及控股業務之營業額減少所致。截至二零零四年六月三十日止六個月，投資買賣及控股業務之營業額約 90,695,000 港元。然而，因本集團對公司盤證券交易採取審慎的態度，故此於二零零五年，本集團並無參與投資證券業務。

經紀業務倒退，部分原因是由於本年度上半年息率提高、油價攀升、市場缺乏方向等影響下所致；佣金收入較去年同期減少 51% 至 9,307,000 港元（二零零四年：19,149,000 港元）。此外，本集團採取審慎的策略，對證券業務進行撥備 12,541,000 港元（二零零四年：4,500,000 港元）。

業務回顧與展望

於回顧期內，本集團主要業務為提供各項金融服務，包括貸款、投資買賣及控股、經紀業務、證券孖展融資及資產管理服務。

貸款業務

貸款業務於期內之利息收入佔本集團營業額 30%（二零零四年：7%）。取得此項成績反映本集團成功地採取審慎的信貸監管措施，本集團將繼續採取審慎保守的融資政策，以爭取信貸良好的客戶。

Management Discussion and Analysis *(continued)*

管理層討論及分析 *(續)*

Investment Trading and Holding

The Group adopted a conservative approach in the proprietary trading in the face of volatility arising out of high interest rate and increasing oil price. The unrealized loss on securities amounted to HK\$9,418,000. Nevertheless, in anticipation of a stable recovery in the Hong Kong economy, the Group will continue to invest in this business segment with a conservative approach.

Broking and Securities Margin Financing

The local stock market remained lackluster in the first half of the year with average daily turnover increased only 1% to HK\$16.9 billion. The Group's performance in this segment was affected by fierce competition as well as a sharp rise in rental and other operating costs. The Group made a strategic decision to close down two branches during the period. Turnover of the Group's broking business decreased 51% to HK\$9,307,000, representing 37% of the total turnover. Turnover of our securities margin financing business decreased by 28% to HK\$7,675,000, representing 30% of the total turnover.

Asset Management

Turnover from this segment accounted for 3% of the Group's total turnover. The Group's asset management business achieved solid investment returns during the period. The valuation of our portfolio recorded mild growth despite the unfavourable investment environment with the Hang Seng Index moving within a relatively narrow range between 13,352 and 14,365. In order to meet the investment interests of our clients, the Group intends to terminate one of the funds after the period end. The growth momentum of this segment remains strong with our investment team successfully providing personalized and tailor-made services to meet the needs of our clients. The Group will continue to identify and accumulate quality investments.

投資買賣及控股業務

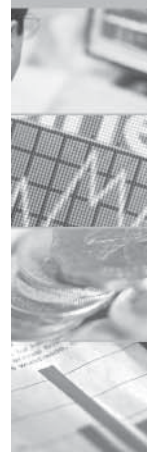
由於息率上升、油價高企，導致市場波動，本集團對公司盤證券交易採取審慎的態度。證券投資之未變現虧損為9,418,000港元。然而隨着本港經濟持續復甦，本集團將繼續採取審慎態度投資於這項業務。

經紀業務及證券孖展融資

於本年度上半年，本港股市交投平淡，平均每日成交金額僅增加1%至一百六十九億港元。本集團之表現亦受到業內激烈競爭、租金及營運成本上升等因素影響，因而作出策略性決定，於回顧期內關閉兩間分行。經紀業務之營業額減少51%至9,307,000港元，佔本集團總營業額37%。證券孖展融資的營業額減少28%至7,675,000港元，佔本集團總營業額30%。

資產管理

這項業務之營業額佔本集團總營業額3%。於回顧期內，資產管理業務獲得穩健的回報。縱然投資環境並不理想，恒生指數在13,352點至14,365點的水平窄幅上落，本集團投資組合之估值仍錄得溫和增長。為了迎合客戶的投資興趣，本集團計劃在回顧期後取消其中一個基金。這項業務保持增長實在有賴優秀的投資隊伍，提供更多個人化及度身訂造的服務，以切合客戶需要。本集團將繼續物色更多優質的投資項目。



Management Discussion and Analysis *(continued)*

管理層討論及分析 *(續)*

Looking Ahead

While the Group experienced difficulties in the first half of 2005, it remains confident concerning long-term prospects. Hong Kong is regarded as an international premier capital market, ranking the first in Asia and the third in the world last year in terms of capital raised. This status will directly benefit our operations. According to *Economic Freedom of the World: 2005 Annual Report*, jointly released by the Fraser Institute in Canada and the Cato Institute in the U.S., Hong Kong also remains the world's freest economy. This too provides a favourable investment environment for our business.

There were 19 initial public offerings in Hong Kong in the first half of 2005 with funds raised amounted to over HK\$60 billion – the highest record since the year 2000, when over HK\$70 billion was raised. The market is looking forward to the listing of major Chinese state-owned enterprises and banks as well as The Link in Hong Kong. We believe business sentiment will be bullish in the second half of the year.

In addition, we believe that Hong Kong's close ties with the Mainland, with its sustained high growth, will create significant opportunities in the long run.

In order to cope with the changing market conditions and strengthen our competitive advantages, we will continue to implement a stringent cost control and streamline our operation on one hand, we will also identify suitable opportunities to enrich the Group's business portfolio and ultimately bring favorable returns to our shareholders.

展望未來

縱使二零零五年上半年經歷艱辛，本集團對長遠發展仍充滿信心。香港在國際資本市場上地位舉足輕重，去年更成為亞洲最大及世界第三大的集資中心，這個特殊地位直接有利本集團之發展。早前，加拿大費沙爾學會及美國卡托研究所聯合公佈《世界經濟自由年報2005》，香港再度獲選為全球最自由的經濟體系，本集團亦會在這個利好的投資環境下受惠。

於二零零五年上半年，在香港進行的首次公開招股活動達十九宗，透過首次公開招股集資的金額超過六百億港元，這是自二零零零年錄得七百億港元以來最高的紀錄。市場憧憬大型國企、銀行及領匯將陸續在港上市，我們深信二零零五年下半年投資氣氛將會好轉。

此外，內地經濟維持高增長，加上中港經濟關係更為緊密，長遠地會帶來更多機遇。

為了配合瞬息萬變之市況及提升本集團之競爭力，我們將繼續實行緊縮成本政策及精簡營運。此外，為了擴展本集團之業務組合，我們亦會開拓新商機，為股東帶來豐碩的回報。

Management Discussion and Analysis *(continued)*

管理層討論及分析 *(續)*

FINANCIAL REVIEW

Liquidity, Financial Resources and Funding

At 30 June 2005, the Group had net current assets of HK\$116,484,000 (31 December 2004: HK\$145,384,000).

At 30 June 2005, the Group had cash reserves of approximately HK\$50,401,000 (31 December 2004: HK\$73,928,000), which included approximately HK\$31,787,000 (31 December 2004: HK\$65,342,000) of clients' funds that were kept in designated segregated bank accounts. Most of the cash reserves were placed in Hong Kong dollar short-term deposits with major banks in Hong Kong.

The gearing ratio as at 30 June 2005 was 138% (31 December 2004: 130%). The gearing ratio was derived by dividing the aggregate amount of bank borrowings and other borrowings by the amount of shareholders' equity. The liquidity ratio of the Group, represented by a ratio of current assets over current liabilities, was 151% (31 December 2004: 150%), reflecting adequacy of financial resources.

The Group had outstanding bank loan and overdrafts of approximately HK\$177,865,000 as at 30 June 2005 (31 December 2004: HK\$205,678,000). The bank loan and overdrafts were denominated in Hong Kong dollars, interest bearing at prevailing commercial lending rates and repayable on demand or within one year. Listed investments belonging to clients and the Group were pledged to secure these bank loan and overdrafts. These loans and overdrafts were used to finance the Group's operations. We expect that all these borrowings will be repaid by internal generated funds.

Taking into account the financial resources available to the Group including internally generated funds and available banking facilities, the Group has sufficient working capital to meet its present requirements.

財務回顧

流動資金、財務資源及融資

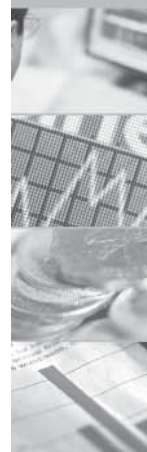
於二零零五年六月三十日，本集團之流動資產淨值為116,484,000港元（二零零四年十二月三十一日：145,384,000港元）。

於二零零五年六月三十日，本集團有現金儲備約50,401,000港元（二零零四年十二月三十一日：73,928,000港元），包括存放於指定銀行獨立賬戶之客戶資金約31,787,000港元（二零零四年十二月三十一日：65,342,000港元）。大部份現金儲備均存放於香港主要銀行作為港元短期存款。

於二零零五年六月三十日之負債比率為138%（二零零四年十二月三十一日：130%）。負債比率為將銀行貸款及其他貸款總額除以股東資金總額。本集團以流動資產除以流動負債計算之流動資金比率為151%（二零零四年十二月三十一日：150%），反映財務資源充裕。

本集團於二零零五年六月三十日有未償還之銀行貸款及透支約177,865,000港元（二零零四年十二月三十一日：205,678,000港元）。銀行貸款及透支以港元為單位及以現行商業貸款利率計息，並須於要求時或於一年內償還。屬於客戶及本集團之上市投資已用作擔保該等銀行貸款及透支。該等貸款及透支乃用於撥付本集團之營運所需。本集團相信上述所有貸款將以內部資金償還。

連同本集團可動用財務資源（包括內部資金及可用銀行信貸），本集團有足夠營運資金應付現時需要。



Management Discussion and Analysis *(continued)*

管理層討論及分析 *(續)*

Pledge of Assets

At 30 June 2005, listed investments belonging to clients and the Group with total market value of approximately HK\$110,990,000 and HK\$13,441,000 (31 December 2004: HK\$305,074,000 and HK\$22,859,000 respectively) were pledged to banks to secure term loan and overdraft facilities granted to the Group.

Share Capital Structure

There was no change in the Company's share capital structure for the six months ended 30 June 2005.

Exchange Rate Risk

The Group is exposed to a very limited level of exchange risk as the business transactions of the Group are mainly denominated in Hong Kong dollars.

Human Resources

At 30 June 2005, the Group had 38 employees.

The Group remunerated its employees mainly based on the individual's performance and experience. Apart from the basic remuneration, discretionary bonus and share options may be granted to eligible employees by reference to the Group's performance as well as the individual's performance.

The Group will continue to emphasize on staff training and total quality management to better prepare its staff members for the upcoming changes and challenges in the market and industry.

資產抵押

於二零零五年六月三十日，本集團將總市值分別約110,990,000港元及13,441,000港元（二零零四年十二月三十一日：分別為305,074,000港元及22,859,000港元）屬於客戶及本集團之上市投資抵押予銀行，作為本集團獲授有期貨款及透支額之擔保。

股本架構

截至二零零五年六月三十日止六個月內，本公司之股本架構並無任何變動。

匯率風險

由於本集團之業務交易主要以港元為單位，故本集團面對之匯兌風險相當有限。

人力資源

於二零零五年六月三十日，本集團共有38名僱員。

本集團主要按個別員工之表現及經驗釐定僱員薪酬。除基本酬金外，本集團亦會按本集團業績及個別員工表現向合資格僱員發放不定額花紅及購股權。

本集團將繼續重視員工培訓及全面品質管理，使員工能作好充份準備，面對市場及行業未來的轉變及挑戰。

Directors' and Chief Executives' Interests 董事及主要行政人員之權益

As at 30 June 2005, the interests or short positions of the directors and chief executives in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

於二零零五年六月三十日，董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債權證中擁有根據證券及期貨條例第352條須記錄於本公司備存之登記冊，或根據上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所之權益或淡倉如下：

Long Position in the ordinary shares of HK\$0.01 each ("Shares") in the Company

於本公司每股面值0.01港元之普通股（「股份」）之好倉

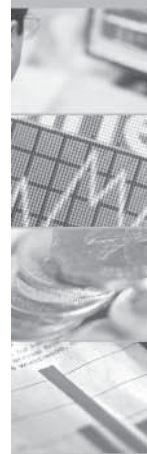
Name of director 董事姓名	Number of Shares 股份數目	Type of interest 權益類別	Percentage of issued share capital 佔已發行股本百分比
Chan How Chung, Victor ("Mr Chan") 陳孝聰（「陳先生」）	1,767,902,690 (Note) (附註)	Interest of controlled corporations 受控制公司權益	58.93%

Note: Mr Chan was taken to be interested in (i) 150,000,000 Shares which were beneficially held by Smart Ease Corporation, a company wholly owned by Mr Chan; and (ii) 1,617,902,690 Shares by virtue of his 39% attributable shareholding interest in TKR Finance Limited ("TKR") (in liquidation), which had a security interest over such Shares. TKR was wholly owned by TingKong-RexCapital Holdings Limited, which in turn was owned as to 52.1% by REXCAPITAL Partners Incorporated. REXCAPITAL Partners Incorporated was owned as to 75% by Mr Chan.

附註：由於陳先生(i)透過其全資擁有公司Smart Ease Corporation實益持有150,000,000股股份之權益及(ii)鑑於其擁有鼎康御泰財務有限公司（「鼎康御泰財務」）（清盤中）39%應佔股份權益，而鼎康御泰財務於1,617,902,690股股份擁有保證權益，故陳先生被視為於有關股份中擁有權益。鼎康御泰由TingKong-RexCapital Holdings Limited全資擁有，而後者則由REXCAPITAL Partners Incorporated擁有52.1%。陳先生持有REXCAPITAL Partners Incorporated 75%權益。

Save as disclosed above, as at 30 June 2005, none of the directors or chief executives had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the SEHK pursuant to the Model Code.

除上文披露者外，於二零零五年六月三十日，概無董事或主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債權證中擁有根據證券及期貨條例第352條須記錄於本公司備存之登記冊，或根據標準守則須知會本公司及聯交所之任何權益或淡倉。



Share Options 購股權

The movements in share options granted under the share option scheme adopted by the Company on 22 November 2002 (the "Scheme") during the six months ended 30 June 2005 are shown below:

截至二零零五年六月三十日止六個月，就本公司於二零零二年十一月二十二日採納之購股權計劃（「該計劃」）所授出購股權之變動如下：

Category of participant	Number of options 購股權數目				At 30 June 2005	Date of grant of options	Exercise price per Share (HK\$)	Exercisable period
	At 1 January 2005	Granted during the period	Exercised during the period	Lapsed during the period				
參與人類別	於二零零五年 一月一日	期內授出	期內行使	期內失效	於二零零五年 六月三十日	購股權 授出日期	每股行使價 (港元)	可行使期間
Total employees 僱員合共	-	60,000,000	-	(30,000,000)	30,000,000	3/1/2004	0.138	3/1/2004 – 2/1/2014
Other eligible participants 其他合資格參與者	-	60,000,000	-	-	60,000,000	3/1/2004	0.138	3/1/2004 – 2/1/2014
Total 總計	-	120,000,000	-	(30,000,000)	90,000,000			

At 30 June 2005, no director had any interests in options to subscribe for Shares. During the six months ended 30 June 2005, no share options were granted under the Scheme.

於二零零五年六月三十日，概無董事於可認購股份之購股權中擁有任何權益。截至二零零五年六月三十日止六個月期間，概無購股權根據該計劃授出。

Shareholdings of Other Shareholders with Notifiable Interests 須予披露權益之其他股東股權

As at 30 June 2005, the interests or short positions of the following parties (other than a director or chief executive of the Company) in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

於二零零五年六月三十日，下列人士（本公司董事或主要行政人員除外）於本公司股份或相關股份中擁有根據證券及期貨條例第336條規定須記錄於本公司備存之登記冊之權益或淡倉如下：

Long Position in the Shares

於股份之好倉

Name of shareholder 股東名稱	Number of Shares 股份數目	Type of interest 權益類別	Percentage of issued share capital 佔已發行股本百分比
To Shu Fai 杜樹輝先生	1,998,805,635 (Note 1) (附註1)	Interest of a controlled corporation 受控制公司權益	66.63%
TKR (in liquidation) 鼎康御泰財務(清盤中)	1,764,102,690 (Note 2) (附註2)	Security interest 保證權益	58.80%

Notes:

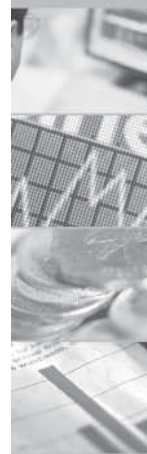
- These Shares were held by Kingly Profits Corporation, which was owned as to 80% by King United Agents Limited. King United Agents Limited was wholly owned by Mr To Shu Fai.
- According to the disclosure of interests form filed pursuant to the SFO by the liquidator of TKR, TKR had security interests in 1,764,102,690 Shares.

附註：

- 該等股份由Kingly Profits Corporation持有，而King United Agents Limited擁有Kingly Profits Corporation之80%權益。King United Agents Limited由杜樹輝先生全資擁有。
- 根據鼎康御泰財務清盤人按證券及期貨條例提交之權益披露表格，鼎康御泰財務擁有1,764,102,690股股份之保證權益。

Save as disclosed above, the register required to be kept under Section 336 of the SFO shows that as at 30 June 2005, the Company had not been notified of any other person who had an interest or short position in the shares or underlying shares of the Company.

除上述披露者外，於二零零五年六月三十日，根據證券及期貨條例第336條規定須備存之登記冊，本公司並無接獲其他任何人士擁有本公司之股份或相關股份中之權益或淡倉之通知。



Purchase, Sale or Redemption of the Company's Listed Securities 買賣或贖回本公司上市證券

The Company and its subsidiaries have not purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2005.

本公司及其附屬公司於截至二零零五年六月三十日止六個月內概無買賣或贖回本公司任何上市證券。

Model Code for Securities Transactions by Directors 董事證券交易標準守則

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the directors. All directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2005.

本公司已採納上市規則附錄十所載的標準守則，作為董事進行證券交易時之行為守則。經本公司作出特定查詢後，本公司所有董事確認於截至二零零五年六月三十日止六個月一直遵守標準守則所規定之標準。

Audit Committee 審核委員會

The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the unaudited interim accounts for the six months ended 30 June 2005.

審核委員會已會同管理層審閱本集團採納之會計原則及慣例，並討論內部控制及財務申報事宜，包括審閱截至二零零五年六月三十日止六個月之未經審核中期賬目。

Remuneration Committee 薪酬委員會

The Remuneration Committee of the Company was established, with specific terms of reference in compliance with the Code of Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The Committee is responsible for making recommendations to the board on the Company's policy and structure for all remuneration of directors and senior management and to determine the specific remuneration packages and conditions of employment for the directors.

本公司已成立薪酬委員會，並訂立符合上市規則附錄十四所載之企業管治常規守則之特定職權範圍。薪酬委員會負責向董事會就本公司對董事及高級管理人員之所有薪酬政策及結構作出建議，並決定董事之特定薪酬組合及僱用條件。

Code on Corporate Governance Practices

企業管治常規守則

None of the directors is aware of any information which would reasonably indicate that the Company is not, or was not, throughout the six months period, in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules, except that:

- (a) Code Provision A.4.1 requires that non-executive directors should be appointed for a specific term, subject to re-election. Currently the non-executive directors are not appointed for a specific term, but are subject to retirement by rotation at the Company's annual general meeting as specified in the Company's bye-laws (the "Bye-laws").
- (b) Under Code Provision A.4.2, all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

According to the Bye-laws, (i) at each annual general meeting one-third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office by rotation save any director holding office as Chairman or Managing Director; and (ii) any director appointed to fill a casual vacancy shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting.

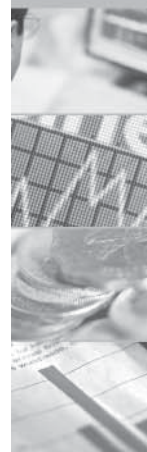
- (c) Under Code Provision E.2.2, all proxy votes should be counted. According to the Bye-laws, at any general meeting on a show of hands every shareholder who is present in person or by a duly authorized corporate representative shall have one vote, and on a poll every shareholder present in person or by a duly authorized corporate representative or by proxy, shall have one vote for every fully paid up share.

董事概不知悉任何資料合理顯示，本公司於期內之任何時間並無或曾無遵守上市規則附錄十四所載之企業管治常規守則，惟以下條文除外：

- (a) 守則條文A.4.1條規定非執行董事須按特定任期委任，並須重選。現時，非執行董事並無指定任期，惟須根據本公司之公司細則（「公司細則」）之規定於本公司之股東週年大會上輪值告退。
- (b) 根據守則條文A.4.2條，所有獲委任填補臨時空缺之董事，須於其獲委任後首個股東大會上由股東推選。所有董事（包括按特定年期委任者）須至少每三年輪值退任一次。

根據公司細則，(i)於每屆股東週年大會上，除擔任主席及董事總經理之董事在任職時毋須輪值退任外，當時三分之一董事（如人數並非三或三之倍數，則為最接近三分之一）須退任；及(ii)任何獲委任以填補臨時空缺之董事可留任至本公司下一屆股東週年大會，並於會上膺選連任。

- (c) 根據守則條文E.2.2條，所有委任代表投票應予計算。根據公司細則，於任何股東大會上，以舉手方式表決時，每位親身出席或由正式獲授權公司代表出席之股東均可投票。以股數投票方式表決時，每位親身出席或由正式獲授權公司代表出席之股東或其委任代表，每持有一股已繳足股款之股份將有一票投票權。



Code on Corporate Governance Practices *(continued)* 企業管治常規守則 *(續)*

The Company will review the current situation and will propose appropriate amendments to its current Bye-laws for adoption by its shareholders at the next following general meeting, in order to ensure compliance with this code provision and consistency with the Bye-laws.

By order of the Board

Chan How Chung, Victor
Director

Hong Kong, 23 September 2005

本公司將檢討現有情況並建議對其公司細則作出適當修訂，以供其股東於下一次股東大會批准採納，以確保符合守則條文及貫徹公司細則。

承董事會命

董事
陳孝聰

香港，二零零五年九月二十三日